

Student Borrower Bill of Rights Protections:

1. Require student loan servicers to register themselves within the state.

Many states have moved to instill a registration or licensing process for servicers. Critically, registration or licensing would allow Texas to monitor servicer activities and communicate directly to servicers. Fees can be used to instill support needed to curb the debt crisis, such as a student debt ombudsman role and student debt consumer education initiatives.

2. Create student loan servicer guidelines that protect consumers and keep payments on track.

Require student loan servicers to contact borrowers about income-based repayment and loan forgiveness options. Borrowers in our study did not express high confidence in repayment plans, and this was even more true for borrowers who were first generation college students.

3. Appoint a student loan debt ombudsman who oversees consumer protections for student debt.

A student loan ombudsman would be responsible for compiling and analyzing student loan data, tracking and investigating consumer complaints, tracking student loan forgiveness requests, and policy oversight efforts.⁸⁷ Gathering and reporting on this critical information will ensure support for Texas borrowers, facilitate implementation of loan policies, and provide Texas with a roadmap of the current status of loan systems. Only until this information is clear can Texas truly tackle the debt problem.

4. Create and share consumer education about financial aid and student loan debt.

Our debt workshops revealed the power of sharing information in a clear, simple format and taking time to describe pros and cons of various repayment plans. While many Texas postsecondary institutions hold financial literacy workshops, we recommend Texas explore ways to expand financial education on student loan repayment. For example, a student loan debt ombudsman could explore opportunities for disseminating financial education opportunities to all Texas borrowers, including those who have graduated or are no longer enrolled.

5. Increase accountability of for-profit colleges in Texas, particularly in regards to student loan debt and workforce opportunities.

As public college enrollment during the pandemic declines, for-profit college enrollment during the pandemic is notably rising.⁸⁸ The reality is that for profit institutions do not equip students to economically thrive; for-profit college graduates have the most debt of any other borrowers in Texas.⁸⁹ Texas must prepare borrowers with information to make decisions about their financial and academic futures, and as such, we recommend that accountability measures are in place, such as requiring for-profit institutions to post workforce data on admissions materials.

87 "Students' Borrower Bill of Rights", *General Assembly of North Carolina*, April 22, 2019. <https://www.ncleg.gov/Sessions/2019/Bills/House/PDF/H875v1.pdf>

88 Stephany Riegg Cellini, "The alarming rise in for-profit college enrollment," *Brookings Institute*, November 2020. <https://www.brookings.edu/blog/brown-center-chalkboard/2020/11/02/the-alarming-rise-in-for-profit-college-enrollment/>

89 "For profit colleges: less favorable outcomes, deeper debt for students," *Center for Responsible Lending*, 2019. <https://www.responsiblelending.org/map/pdf/tx.pdf>.